

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE: May 9, 2003

FROM: KATHLEEN ROLLINGS-McDONALD, Acting Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #6: LAFCO #2908: City of Chino Annexation No. 2001-01 (Subarea 2 – Agricultural Preserve)

RECOMMENDATION:

1. Take the following actions with respect to the environmental review for LAFCO 2908:
 - a. Certify that the Final Environmental Impact Report (EIR) prepared for The Preserve Specific Plan by the City of Chino has been independently reviewed and considered by the Commission;
 - b. Determine that the Final EIR prepared by the City is adequate for the Commission's use as a CEQA Responsible Agency for its determinations related to LAFCO 2908;
 - c. Determine that the Commission does not intend to adopt alternatives for this project, and that mitigation measures included in the City's environmental documents are the responsibility of the City and others, not the Commission.
 - d. Adopt the Statement of Findings, Facts, and Overriding Considerations as presented by the Commission's environmental consultant, Tom Dodson and Associates, attached to the staff report.
 - e. Direct the Clerk of the Commission to file a Notice of Determination within five days.

2. Approve LAFCO 2908 – City of Chino Annexation, subject to the following conditions:
 - a. The City of Chino shall succeed to the rights, duties, and powers of the County of San Bernardino in regard to administration of the area defined as the “Chino Agricultural Preserve” and to the land conservation contracts identified within it pursuant to the provisions of Government Code Section 56752.
 - b. The City of Chino shall indemnify and hold the Commission harmless in any legal action brought against the Commission related to this proposal.
 - c. As a function of this annexation, the Commission finds that the City of Chino will initiate proceedings to annex the island of unincorporated territory generally located south of Walnut Avenue, between Ramona and Pipeline Avenues, within one year of adoption of a resolution of approval for LAFCO 2908.
3. Adopt LAFCO Resolution No. 2770 setting forth the Commission’s terms, conditions, findings, and determinations.

BACKGROUND INFORMATION:

Since the inception of the California Land Conservation Act, commonly known as the “Williamson Act”, in 1968, this Commission has dealt with issues related to the “Dairy Preserve”. Over these 35 years, the Commission has, on a number of occasions, become embroiled in controversy through its determinations to either protect the dairy area, to deny incorporation of the area proposed by dairy owners, or finally to determine to overlay the area with the municipal spheres of influence for the Cities of Chino and Ontario, thus officially signaling the transition of the area to urban uses. A chronology of the major milestones during this period is included as an attachment to this report (Attachment #2).

Throughout the 1980’s, the primary question asked of LAFCO, the County, and City governments was whether or not the “Dairy Preserve” was viable due to the development pressures being experienced in the West End of the County. These matters were brought to fore, in 1992, when the community group known as “EPIC” (El Prado Incorporation Committee) submitted a sufficient petition to initiate the review of incorporating the entirety of the Preserve. The emphasis of that effort was to provide a vehicle that would allow the landowners the ability to address the area’s conversion to urban uses.

The approval of the incorporation application itself was controversial and was met with litigation from local environmental groups. The dairy owners responded by seeking and receiving approval of special legislation, known as SB 272 (Ayala), that allowed for a property owner petition initiated sphere change should incorporation fail. Finally, former Governor Deukmejian appeared before the Commission to plead EPIC's cause that the owners be allowed to determine their own destiny.

Following the Commission's ultimate determination to deny the EPIC incorporation effort, in September of 1994, the decision was made to divide this territory between the spheres of influence for the Cities of Chino and Ontario. Included in those sphere of influence resolutions were determinations that the Commission would not entertain any annexation consideration until such time as the respective City General Plan had been amended to address the area and environmental processing was completed. These sphere of influence assignments were the final determinations required to provide for the delivery of municipal services to this area based upon an urban development landscape.

The City of Ontario annexed the territory of its sphere of influence in 1999 and is now addressing the ultimate land use and service needs of its "New Model Colony" specific plan areas. The City of Chino processed the annexation of the area west of Euclid Avenue for annexation in 1999, identifying it as "Subarea 1". Therefore, this hearing will begin the final chapter in the local governance determinations for the territory known as "The Dairy Preserve".

PROPOSAL SUMMARY:

The proposal submitted by the City Council of the City of Chino includes approximately 5,200+ acres, generally located southerly of Merrill Avenue (City of Ontario boundary), westerly of the Riverside County Line (Hellman Avenue), northerly of the Riverside County line (within the El Prado Basin), and easterly of Euclid Avenue (existing City of Chino boundary). Maps included in Attachment #1 provide a vicinity and boundary map of this territory.

At the April 16th hearing, the Commission was presented with copies of the environmental and Specific Plan documents prepared by the City of Chino for this area identified as "The Preserve Specific Plan". In addition, attached to this report are copies of the City's application, the Plan for Services prepared by the City, financial plans related to service delivery to this area and the Draft Findings of Fact and Statement of Overriding Considerations prepared by the Commission's environmental consultant. Taken together, these documents describe the transition of this area from agriculture to urban uses and leave

little additional information to be provided in this report. Therefore, the balance of this report will provide staff responses to those required factors of consideration as outlined in Government Code Section 56668 that are particularly relevant to this issue, such as boundary issues, land use issues, including determinations required for the transition of the existing Agricultural Preserve and Williamson Act contracts to the City of Chino, service issues, and environmental considerations.

BOUNDARY ISSUES:

The annexation of the 5,200+ acres to the City of Chino will include the balance of its southeastern sphere of influence within its corporate boundaries. This annexation complies with the conditions established by the Commission during its sphere of influence deliberations in the 1990s and addresses Commission policies that point toward addressing the full range of service needs proposed by anticipated development. The City's considerations for this area have spanned the last three years and have attempted to include all stakeholders within the process. The staff would like to commend the City of Chino for its efforts in addressing the area and its service implications as a whole, rather than through a piecemeal approach, and its approach to dealing with the wide range of interest groups.

There are, however, two boundary issues which will need to be considered by the Commission in its review of this annexation. They are:

1. Annexation of Totally Surrounded Island Area:

The staff has conveyed the Commission's position to the City of Chino that in considering a "desirable" annexation, one that will bring with it financial and service advantages, the City should also look at its islands of unincorporated territory which do not provide the same development advantages. One such area exists within the northwestern Chino sphere of influence; it is an island of unincorporated territory totally surrounded by the City, located south of Walnut Avenue near the 60 Freeway, between Pipeline and Ramona Avenues. The Commission has previously determined that this area fulfills the requirements established by the State Legislature addressing island annexations, specifically that:

- a. It consists of less than 75 acres, is totally surrounded by city boundaries, and is within the city's sphere of influence;
- b. It is substantially developed or developing;
- c. It is benefiting or could benefit from city services; and,
- d. It does not contain any prime agricultural lands.

The staff has reviewed the question with members of the City of Chino staff, who have indicated that this island is a part of their future work plans. However, the City's staff has noted that they are not prepared, at this time, to address the island issue and would be concerned by any possible delay in the annexation process for The Preserve Specific Plan area. The primary developer of The Preserve, Lewis Operating Corporation, has also indicated its concern for any delays in the processing of the annexation application.

The Commission has approached the question of how to handle these island issues in two different ways. In the case of the Cities of Rialto and Barstow, when a "desirable" annexation was initiated in another part of their spheres, the Commission directed these cities to address themselves to their respective islands areas. Each of the Cities posed concerns about the Commission "conditioning" its approval upon the initiation of these subsequent changes, thereby holding up the completion of their annexation, much the same as the City of Chino. In each of these cases, the Commission granted latitude to the annexing cities through adoption of a finding requiring the initiation of the island area within one year of the Commission's completion of proceedings. In each case, the Commission received written commitments from the Cities that they would accomplish the task and each fulfilled their commitment.

A different approach was used in the case of the City of Ontario when it submitted an application to annex its sphere territory within the Dairy Preserve. In that case, the Commission did condition its approval on the initiation of the final unincorporated island within that City's sphere of influence and indicated that completion of the annexation would be held in abeyance for a period not to exceed six months for this purpose. In the case of the City of Ontario, however, the island represented the last area of unincorporated territory for that City; therefore, there would be no future vehicle to use to achieve the desired goal if the City failed to fulfill its stated commitment to initiate the application.

In the present case, the staff believes that the approach used with the Cities of Rialto and Barstow is a reasonable one. The City Manager for the City of Chino has submitted a letter identifying the City's commitment to initiating this supplemental application (copy included as a part of Attachment #4). Therefore, it is the staff's recommendation that a finding be included in the final resolution that memorializes the City's commitment to this future action.

2. The Size of the Annexation Area:

The annexation of Subarea 2 includes approximately 5,216 acres (8.15 square miles) which represents a 45% increase in land area for the City of Chino. The current population of the study area is estimated at approximately 300, which is anticipated to grow to 33,249. This will represent an increase of approximately 50% over the City's current population (the 2000 Census population of the City of Chino estimated at 67,168) over the 20-30 year life of the development project area. A concern to staff would be that this increase in land area could be difficult to assimilate upon the effective date of the annexation, even though current population levels are low.

The City of Chino has indicated through its Plan for Service, fiscal documents, and Council support that it can extend the services necessary to this area based upon the limited need at the time of annexation, and can address the increased levels of service to be extended as development occurs. The City has indicated that the comprehensive development of the necessary infrastructure is a key rationale for annexation of the entire area.

LAND USE ISSUES:

The existing land use designations for the area assigned by the County of San Bernardino are Agriculture-Agriculture Preserve (AG-AP) for the area generally above the old 556 inundation line and Resource Conservation (RC) for the area below the inundation line (a map outlining the area designations is included in Attachment #6). AG-AP allows for one unit per 10 acres and supports continued agriculture. Resource Conservation allows for farming and non-residential types of use. The lands designated AG-AP are a part of the Agricultural Preserve formed by the County Board of Supervisors in January, 1969, and contain numerous Williamson Act Contracts.

Surrounding land uses include: Immediately to the north is the Chino Airport and the City of Ontario boundaries. Land uses within these areas include light industrial and associated airport uses surrounding Chino Airport; further north, within the City of Ontario, are medium density residential uses, some continuing agricultural uses, and some neighborhood commercial. To the east is the area known as "Eastvale" within Riverside County. Agriculture and dairy uses currently exist within the area; however, residential development is anticipated for the area through the Riverside County General Plan. To the south is the Prado Basin, a major portion of the Santa Ana Mainstem Project for containing flood flows within the Santa Ana River. To the west is the area of Subarea 1, annexed to the City of Chino in 1999 and a portion of the City of

Chino Hills. Land uses within Subarea 1 include agricultural activities (dairy farming), some related residential uses, recreational uses such as the El Prado Golf Course, Prado Tiro Shooting Range, and some industrial uses. The area within Subarea 1 above the 566 line for flood inundation has been specific planned for a mix of industrial and commercial uses. Uses within the City of Chino Hills include low-density residential uses.

The study area is primarily devoted to agriculture uses at the present time. In keeping with that land use, the annexation area has a County Infrastructure designation of IL-4, which requires safe physical access to properties, but acknowledges the rural character of the area and anticipates that urbanization will not occur within the foreseeable future. Nineteen "Williamson Act" contracts exist between landowners and the County of San Bernardino indicating a continuing agricultural use for this area. These contracts restrict development to only those uses which are compatible with (as defined by the Act) and supportive of agriculture. Hazard overlays identified by the County include the acknowledgement of the flood inundation area within the El Prado Basin and those hazards associated with the Chino Airport area.

The City of Chino has processed the specific plan for this project commonly known as "The Preserve" which encompasses 5,435+/- acres, of which 5,200 are proposed for annexation through this application. The additional 290 +/- acres were annexed to the City of Chino in October 2000 (LAFCO 2866). The actions taken by the City to approve this project included the pre-zoning of this area as required by Government Code Section 56375 (a). The land designations included in the Specific Plan anticipate a build out population of 33,249 within a variety of residential uses. Listings of all the uses identified by the adopted Plan are included on Table 1-1 of the Plan for Services and are summarized here:

Residential (a total of 1,103 acres have been designated for residential uses, anticipating 9,779 units and a population of 33,249) broken down as:

Estate	237 units on 118 acres
Low Density	1,659 units on 302 acres
Medium Density	5,076 units on 508 acres
High Density	2,021 units on 126 acres
Mixed Use	787 units on 49 acres

Non-Residential (include a total of 600 acres, with the anticipation of 10,238,744 square feet of space, anticipating 13,376 jobs) broken down as:

Neighborhood Commercial	9 acres
Regional Commercial	60 acres
Airport Related Business Park	52 acres
Airport Related Light Industrial	145 acres
Airport Related Hotel	13 acres
Light Industrial	212 acres
Commercial (mixed use/airport)	51 acres
Office (Regional/airport/mixed use)	58 acres

Other Uses (encompass 3,732 acres which includes the area below the El Prado Dam inundation line):

Public Facilities	411 acres
Parks	113 acres
Schools	35 acres
Open Space (recreational/natural/ Agricultural/water)	2,987 acres
Right-of-Way	186 acres

Land Use Issues for Review:

The Specific Plan documents provide a detailed description of these land uses, the concepts related to the development of the area, the methods chosen to address the hazards and infrastructure needs, etc. The Commission may wish to explore these questions further at the hearing. However, there are two land use issues the Commission will need to consider as required by legislation enacted to address agricultural lands:

1. Conversion of Prime Agricultural Land:

In adopting the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the State Legislature reiterated its perception that one of the guiding principles for LAFCO was that each Commission would need to balance the “sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services”. Government Code Section 56377 outlines direction to the Commission to guide development away from prime agricultural lands whenever feasible and economical. The area of consideration contains lands designated as prime agricultural lands as defined by Government Code Section 56064, and agricultural lands of State-wide importance as defined by the State Department of Conservation.

However, the transition of this area from its agricultural/dairy uses has been underway for a number of years. While the annexation of this territory is viewed as one of the final steps in this transition, it culminates action initiated by the County in 1993 when it indicated that it would entertain general plan amendments to dissolve the Dairy Preserve and assign more intensive land uses. The action presented to the Commission at this hearing allows for the comprehensive planning of infrastructure and promotes efficient and effective service patterns within the area in keeping with the directives contained with Government Code Section 56000. The issues of the loss of agricultural lands has been addressed in the City's EIR, Partially Recirculated EIR and Mitigation Monitoring Plan, which notes that the City will participate in the "Williamson Act Easement Exchange Program" (WAEEP) and plans that may be developed pursuant to the provisions of SB 831. SB 831 (sponsored by Senator Baca) authorized the Counties of San Bernardino and Riverside to implement plans to allow for multiple transactions to rescind Williamson Act Contracts and concurrently enter into an agricultural conservation easement in other areas if specific findings are made and if the Director of the State Department of Conservation approves of the Plan. All of these efforts will be explored as a means to offset the loss of agricultural lands, as identified in the environmental and specific plan documents.

2. Agricultural Preserve and Williamson Act Contract Lands:

The Commission is now required to outline the specific transfer of authority for Williamson Act Contracts pursuant to the provisions of Government Code Section 56842. The annexation area contains 19 existing agricultural land contracts, representing approximately 929 acres of lands. The City of Chino has indicated that it will succeed to the existing contracts currently administered by the County of San Bernardino but will disestablish the Agricultural Preserve following annexation.

The process by which the Preserve will be disestablished requires the City to adopt a resolution outlining its action, the City will be required to provide notification of the automatic non-renewal for all remaining contracts to affected landowners, and the City will be required to record the non-renewal notices. This will begin the 10 year roll-out of the contracts, anticipated to begin January 1, 2004, and end December 31, 2013.

Such an action by the City will not preclude the landowners from choosing to pay the penalties and canceling the contract prior to the end

of the ten-year period. The contracts to be transferred and administered by the City and their current status are outlined on the spreadsheet included as Attachment #6. In addition to the active contracts described above, there have been six Williamson Act Contracts acquired by public agencies which, pursuant to Government Code Section 51295, were immediately and automatically removed from the restrictions of their respective contracts. These cancellations represent an additional 293 acres.

As outlined in the Specific Plan, the City of Chino has a "Right to Farm" policy which will allow for the continuation of the historic agricultural uses within the area as this area transitions. This policy attempts to minimize the inherent conflict between urban and agricultural uses. The Specific Plan identifies the mechanisms to be used as development proceeds, some of which include disclosure requirements for developers, investors, residents and business operators of the continuing agricultural uses and the City's support of them, development standards that require a minimum 100-foot setback between existing animal uses and buildings for residential purposes, etc.

SERVICE ISSUES:

Existing service needs within the area are considered to be minimal due to its agricultural nature. The independent Chino Valley Independent Fire Protection District provides for fire protection and emergency medical response within the area; individual property owners have developed on-site wells to address water needs; and the West Valley Vector Control District provides for vector/mosquito abatement activities. Otherwise, there is no organized system for the delivery of services other than through the County itself. However, the anticipated development of the area, according to the land uses identified within the Specific Plan, will require the full range of municipal-level services and will require the development of the infrastructure to provide them. The price tag for this infrastructure is estimated to exceed \$218,000,000.

The City of Chino has provided a Plan for Service, as required by law, which outlines the delivery of the necessary services to the area upon annexation, along with the preparation of financing plans to address the issue of ongoing maintenance and operation of these facilities and the financing of the development of the necessary infrastructure. Outlined below are the highlights of this plan:

1. Water

The City has prepared an update to its Urban Water Management Plan (January, 2002) and prepared a Water Supply Assessment for water needs for Subarea #2 (dated January 28, 2002) that is a part of the Recirculated EIR previously provided to Commissioners. These documents identify both potable and recycled water needs for the area, and provide the basis for finding that the City will assure a sufficient water supply to address the development contemplated by The Preserve Specific Plan. The Plan indicates that the estimated cost for infrastructure development is \$13,436,990 for potable water and \$4,353,650 for recycled water. Maintenance and operation cost will be funded through monthly user charges and enterprise fund revenue.

2. Sewer Service

The development of the wastewater treatment and reclamation infrastructure for this area has been addressed in the Specific Plan, the EIR and the Plan for Service submitted for this application, all of which have been provided to the Commission for its information. The Inland Empire Utilities Agency (IEUA) is responsible for the treatment facilities for this service and the City of Chino is responsible for the collection system. Development of the necessary infrastructure is estimated to cost \$8,695,379. No estimates have been provided of the fees and charges to be imposed by IEUA to assure sufficient capacity to serve the area. Maintenance and operation costs will be funded through monthly user charges and enterprise fund revenue.

3. Fire Protection (provided by the Chino Valley Independent Fire Protection District)

Chapter 4 of the Plan for Service submitted by the City of Chino addresses service delivery by the Chino Valley Independent Fire Protection District to the area. This section identifies that Station #63 will need to be relocated to address response time criteria of the District. The staff questioned this information, since a condition of the City of Ontario Annexation (LAFCO 2842) approval was the need for payment to relocate Station #63 away from the Chino Airport. The District has submitted a response, included as Attachment #5, which indicates that the correct response would be that a new station will be required due to the anticipated development of The Preserve and the developers will need to address the issue of funding this facility. Operation and maintenance costs are provided through the District's share of the general property tax levy.

Another fire issue relates to the southern portion of this annexation

being designated as "State Responsibility Area" for wildland fire protection purposes (map included as part of Attachment #5) by the California Department of Forestry (CDF). Upon annexation, this designation will be removed and the financial obligation for these specialized types of fire protection will be transferred to the City. The City's Plan for Service and Mitigation Monitoring Plan (Mitigation Measure PS-F-6) indicate that the City will be responsible for payment of services to be provided by CDF pursuant to their rules and standards for wildland areas.

4. Storm Drainage/Flood Control

One of the most critical needs for the area of consideration is an organized system to control storm runoff. As areas to the north of the annexation site are developed, in the Cities of Chino and Ontario, increased runoff occurs traveling southerly to the Prado Basin. Through the many years that the Commission has reviewed applications or studies related to this area, the most critical problem facing the dairy owners/operators related to manure management and the related problems associated with flooding. Dairy owners are now faced with fines and other legal penalties when manure water is not contained on the properties, potentially polluting the downstream waters.

The facilities required to provide a backbone drainage system are outlined on Table 9-1 of the Plan for Service. This document lists the cost attributable to the City of Chino at \$24,922,160 and the cost for the City of Ontario at \$17,364,356. The total estimated cost would be in excess of \$42,000,000.

5. Transportation

The area of consideration is essentially separated from the existing City of Chino by the existence of the Chino Airport and Chino Institute for Men. Due to the rural nature of the area, roadway systems are limited. It is anticipated that major infrastructure development will be required both locally and regionally to allow for the free flow of traffic through this area. The Plan for Service estimates that costs for on-site improvements are \$57,374,446 and \$20,679,876 for off-site improvements.

ENVIRONMENTAL ISSUES:

The response from Tom Dodson and Associates is attached for review, including the required Statement of Overriding Considerations Regarding Environmental Effects from Approval of this Annexation to the City of Chino. It

is recommended the Commission take the following actions if it wishes to approve this proposal.

1. Certify that the Final EIR prepared for The Preserve Specific Plan by the City of Chino has been independently reviewed and considered by the Commission;
2. Determine that the Final EIR prepared by the City is adequate for the Commission's use as a CEQA Responsible Agency for its determinations related to LAFCO 2908;
3. Determine that the Commission does not intend to adopt alternatives for this project, and that mitigation measures included in the City's environmental documents are the responsibility of the City, and others, not the Commission.
4. Adopt the Statement of Findings, Facts, and Overriding Considerations as presented by the Commission's environmental consultant, Tom Dodson and Associates, as attached to the staff report.
5. Direct the Clerk of the Commission to file a Notice of Determination within five days.

FINDINGS:

The following findings are required to be provided by Commission policy and Government Code Section 56668:

1. The Registrar of Voters Office has determined that the study area is legally inhabited, containing 156 registered voters, as of December 11, 2002.
2. The study area is within the sphere of influence assigned for the City of Chino.
3. The County Assessor's Office has determined that the assessed valuation of land and improvements within the study area is \$77,716,711 (\$55,276,867 land; \$22,439,844 improvements). For protest purposes only, the County Assessor was requested to assign values to the public lands within the annexation site. These values total \$40,969,000 and are listed separately as shown below for the individual parcels:

LANDOWNER NAME		ASSESSOR		LAND VALUE FOR
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	PARCEL NUMBER	PROTEST PURPOSES
Chino Basin Municipal Water District (now known as Inland Empire Utilities Agency)	1057-181-01	\$1,344,000.00
	1057-181-22	\$4,587,000.00
City of Chino Hills	1057-181-23	\$4,000.00
County of San Bernardino	0218-291-01	\$540,000.00
	0218-291-02	\$570,000.00
	0218-291-07	\$516,000.00
	0218-291-08	\$486,000.00
	0218-291-09	\$1,566,000.00
	0218-301-01	\$840,000.00
	0218-301-05	\$14,000.00
	0218-301-06	\$95,000.00
	0218-301-07	\$158,000.00
	0218-301-12	\$418,000.00
	0218-301-14	\$60,000.00
	0218-301-15	\$597,000.00
	0218-301-22	\$604,000.00
	0218-301-25	\$0.00
	1054-371-02	\$516,000.00
	1054-441-02	\$495,000.00
	1054-451-02	\$555,000.00
	1054-461-02	\$531,000.00
	1055-081-01	\$559,000.00
	1055-081-02	\$287,000.00
	1057-201-04	\$860,000.00
	1057-221-18	\$224,000.00
Orange County Flood Control District	1056-392-02	\$108,000.00
	1056-392-03	\$0.00
	1056-392-07	\$110,000.00
	1056-392-12	\$153,000.00
	1057-181-24	\$328,000.00
	1057-181-26	\$5,000.00
	1057-211-05	\$1,609,000.00
	1056-271-03	\$372,000.00
	1057-191-07	\$496,000.00
Orange County Water District	1057-221-15	\$268,000.00
	1057-221-16	\$300,000.00
San Bernardino County Flood Control District	0218-301-24	\$2,000.00
	0218-301-21	\$4,000.00
San Bernardino County Airport	1055-231-03	\$564,000.00

		1056-071-03	\$52,000.00
		1056-071-06	\$6,000.00
		1056-101-01	\$574,000.00
Southern California Edison		1057-212-24	mineral rights only
State of California Institute for Women		1057-191-04	\$1,662,000.00
		1057-191-05	\$5,177,000.00
United States of America		1056-281-01	\$130,000.00
		1056-392-01	\$293,000.00
		1057-181-13	\$171,000.00
		1057-191-06	\$535,000.00
		1057-201-01	\$25,000.00
		1057-201-02	\$844,000.00
		1057-201-03	\$377,000.00
		1057-212-09	\$86,000.00
		1057-212-11	\$506,000.00
		1057-221-04	\$1,083,000.00
		1057-221-05	\$1,088,000.00
		1057-221-07	\$218,000.00
		1057-221-11	\$66,000.00
		1057-221-13	\$185,000.00
		1057-221-17	\$87,000.00
		1057-231-01	\$163,000.00
		1057-231-02	\$557,000.00
		1057-231-03	\$500,000.00
		1057-231-04	\$400,000.00
		1057-231-05	\$746,000.00
		1057-231-06	\$501,000.00
		1057-231-07	\$100,000.00
		1057-231-08	\$296,000.00
		1057-231-09	\$20,000.00
		1057-231-10	\$113,000.00
		1057-231-11	\$16,000.00
		1057-231-12	\$25,000.00
		1057-231-13	\$12,000.00
		1057-241-01	\$136,000.00
		1057-241-02	\$2,370,000.00
		1057-241-03	\$146,000.00
		1057-241-04	\$734,000.00
		1057-241-05	\$100,000.00
		1057-241-06	\$42,000.00
		1057-251-03	\$20,000.00
		1057-263-03	\$58,000.00
		1057-263-05	\$4,000.00

4. Legal advertisement of the Commission's consideration has been provided through publication in *The Daily Bulletin*, *Chino Champion*, *Press Enterprise*, and *The Sun*, newspapers of general circulation within the study area. Individual notice has been provided to those individuals and agencies having requested such notification. Also, individual notification to landowners and registered voters within and surrounding the annexation area has been provided as required by State law and Commission policy.
5. The City of Chino has processed a General Plan Amendment and Specific Plan to allow for pre-zoning of the annexation area in its entirety. The land use designations and the City's processing are more fully discussed in the narrative to this report. Pursuant to the provisions of Government Code Section 56375(e) these zoning designations shall remain in effect for two years following annexation unless specific actions are taken by the City Council. The approved designations included are:
 - a. Residential Uses (approximately 1,103 acres) designated for Estate Residential (2 units to the acre), Low Density Residential (5.5 units to the acre), Medium High Density Residential (10 units to the acre) and High Density Residential (16 units to the acre);
 - b. Business Uses (approximately 600 acres) designated for Neighborhood Commercial (9 acres), Regional Commercial (60 acres), Airport related (210 acres), Light Industrial (212 acres), and Community Core (109 acres);
 - c. Open Space (approximately 2,987 acres) designated for Open Space Water, Open Space Natural, Open Space Recreational, Agricultural and Open Space Natural, and Agricultural; and,
 - d. Other (approximately 745 acres) designated for Public Facilities (411 acres), Parks (113 acres), Schools (35 acres), and Roads (186 acres).
6. The Commission's environmental consultant, Tom Dodson and Associates, has reviewed the City of Chino's Final EIR and Response to Comments, the Recirculated Draft EIR, Draft EIR, and Statement of Overriding Considerations prepared for The Preserve Specific Plan. Mr. Dodson has determined that these documents taken together are adequate for the Commission's review of the proposed annexation as a responsible agency. Copies of the City's environmental documents were presented to the Commission at the April 16th hearing. The necessary

actions to be taken by the Commission are outlined in the narrative portion of this staff report.

7. Upon annexation, the City will extend its services as required by the progression of development. The financial information portion of the Plan for Service indicates that operation and maintenance funding will be sufficient through recognized funding sources (i.e. general property tax levy, user fees and charges, enterprise revenues) and will not create financial burdens to the City of Chino. The plan identifies that developers will be required to fund the capital costs of construction for additional local facilities or improvements and a fair-share of regional facilities. Through these mechanisms, the Plan outlines that the level of service will be adequate for the development anticipated and that the revenues will provide for ongoing maintenance and operations.

8. The area in question is presently served by the following public agencies:

County of San Bernardino
Chino Valley Independent Fire Protection District (fire protection)
Inland Empire Utilities Agency (formerly Chino Basin MWD) and its
Improvement District C and Mid-Valley area
Metropolitan Water District of Southern California
Chino Basin Water Conservation District
West Valley Vector Control District
Inland Empire West Resource Conservation District
County Service Area 70

County Service Area 70 will be detached upon successful completion of this annexation. None of the other agencies will be directly affected by the completion of this proposal through an adjustment in their boundaries.

9. The annexation proposal complies with Commission policies that indicate the preference for areas proposed for development at an urban level land use to be included within a City so that the full range of municipal services can be planned, funded, extended and maintained. The only issue of conflict relates to the directives of state law which point toward the preservation of agricultural and open space lands.

For most of the last 35 years, the Commission has judiciously protected the agricultural interests within this area. However, in 1994, at the urging of the landowners and dairy operators within the area and in response to the County's acknowledgement of the potential to disestablish the Dairy Preserve, the Commission determined to overlay

this area with the spheres of influence of the Cities of Chino and Ontario. This determination also acknowledged that the transition to an urban landscape could take place when appropriate land use studies and environmental considerations were completed. The City of Chino has prepared, circulated and adopted those required studies and has included within its City policies protection for the farming interests within the area through its "Right-to-Farm" language.

10. Comments from landowners and affected local agencies have been reviewed and considered by the Commission in making its determinations.
11. The study area can benefit from the availability of municipal-level services from the City of Chino.
12. This proposal will assist the City's ability to achieve its fair share of the regional housing needs upon development of the residential portions of the project.
13. The County of San Bernardino and the City of Chino have successfully negotiated a transfer of property tax revenues that will take effect upon completion of this annexation. This negotiated agreement fulfills the requirements of Section 99 of the Revenue and Taxation Code.
14. Maps and legal descriptions, as revised, are in substantial compliance with LAFCO and state standards through certification by the County Surveyor's Office.

CONCLUSION:

The policy standards developed by the Commission point toward the approval of this proposal. These policies are:

- ❑ Urban-level development should be included within a municipal service provider;
- ❑ The plans developed for this project require the development of facilities which can most effectively and efficiently be provided by the City of Chino; therefore, this project should be included within the boundaries of the City to assure fair share financing; and
- ❑ The area became a part of the sphere of influence of the City of Chino in 1994 and was conditioned upon the development of the appropriate land use and environmental documents prior to discussion of annexation.

The City has prepared and certified these documents and established the programs necessary to achieve the effective and efficient transition for this area.

Based upon these factors, and all the information provided to the Commission, staff is recommending that the Commission approve the proposal by taking the actions listed under the recommendation section.

KRM/

Attachments:

- 1 -- Location and area maps of proposal
- 2 -- [Chino-Ontario Agricultural Preserve Chronology](#)
- 3 -- City Application, Plan for Service, and Financing Plan
- 4 - City Response on Unincorporated Island
- 5 - Response from Chino Valley Independent Fire Agency/SRA Map
- 6 - California Department of Conservation Response and Williamson Act Contract Information
- 7 - Tom Dodson and Associates Response and Statement of Findings, Facts, and Overriding Considerations
- 8 - Draft LAFCO Resolution No. 2770